

VZCZCXRO1315  
RR RUEHBZ RUEH DU RUEHJO RUEHMR RUEHRN  
DE RUEHSB #0851/01 3001456  
ZNR UUUUU ZZH  
R 271456Z OCT 09  
FM AMEMBASSY HARARE  
TO RUEHC/SECSTATE WASHDC 5059  
INFO RUCNSAD/SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE  
RUEHAR/AMEMBASSY ACCRA 3112  
RUEHDS/AMEMBASSY ADDIS ABABA 3225  
RUEHRL/AMEMBASSY BERLIN 1652  
RUEHBY/AMEMBASSY CANBERRA 2486  
RUEHDK/AMEMBASSY DAKAR 2855  
RUEHKM/AMEMBASSY KAMPALA 3273  
RUEHNR/AMEMBASSY NAIROBI 5721  
RUEHGV/USMISSION GENEVA 2405  
RUEAIIA/CIA WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC  
RHEFDIA/DIA WASHDC  
RHMFISS/EUCOM POLAD VAIHINGEN GE  
RUZEJAA/JAC MOLESWORTH RAF MOLESWORTH UK  
RHEHAAA/NSC WASHDC

UNCLAS SECTION 01 OF 02 HARARE 000851

AF/S FOR B. WALCH  
ADDIS ABABA FOR USAU  
ADDIS ABABA FOR ACSS  
NSC FOR SENIOR AFRICA DIRECTOR  
STATE PASS TO USAID FOR L.DOBINS AND J. HARMON  
COMMERCE FOR ROBERT TELCHIN

SIPDIS

E.O.12958: N/A  
TAGS: [PGOV](#) [PREL](#) [ASEC](#) [PHUM](#) [ECON](#) [ZI](#)

SUBJECT: ZIM NOTES 10-23-2009

-----  
[1](#)1. SUMMARY  
-----

Topics of the week:

- Tsvangirai Lobbies Key SADC Members
- As Mugabe Holds Cabinet Meeting in his Absence
- Rural Residents Fear Renewed Violence
- Cholera Season Begins in Zimbabwe
- AG Tomana Takes Over Bennett's Case
- Manufacturing Sector Improving but Problems Remain
- Companies Consolidate as Cash Crunch Bites
- Biti's Budget Woes

-----  
On the Political and Social Front  
-----

[1](#)2. Tsvangirai Lobbies Key SADC Members...After "disengaging" from ZANU-PF, PM Morgan Tsvangirai this week met with South African President Jacob Zuma, Mozambican President Armando Guebuzza, Congolese President Joseph Kabila, and planned to meet with President Eduardo Dos Santos of Angola on Friday. The whirlwind tour is an effort to lobby SADC to to pressure President Robert Mugabe and SADC to comply with the Global Political Agreement. Specifically, the MDC wants Mugabe to appoint MDC governors, rescind the appointments of RBZ governor Gideon Gono and Attorney General Johannes Tomana, and to swear in Roy Bennett as Deputy Minister of Agriculture. Tsvangirai is expected to return to Harare today and to meet with Mugabe on Monday. The SADC Troika heads of state, as well as well as a representative of South Africa, the GPA facilitator, will meet with principals (Mugabe, Tsvangirai, and Arthur Mutambara) and GPA negotiators on October 29 in Harare. See Harare 843.

[1](#)3. As Mugabe Holds Cabinet Meeting in his Absence... On October 20, President Robert Mugabe chaired a cabinet meeting attended by his party and MDC-M ministers. MDC boycotted and held its own "cabinet"

meeting at MDC-T party headquarters.

¶4. Rural Residents Fear Renewed Violence... Post conducted site visits to rural communities across five different provinces and determined that though current levels of non-farm related political violence are low, residents still live in fear of ZANU-PF directed violence. That fear stems from concerns that ZANU-PF has maintained its capacity to deliver a campaign of violence through ZANU-PF youth, war veterans and the military. Elements of these organizations continue to circulate in rural communities, and in some instances have increased their activities. See Harare 839. Government officials have told us that as many as 25,000 youths are on the payroll without specific jobs; many are engaged in intimidation of MDC supporters.

¶5. Cholera Season Begins in Zimbabwe... According to the World Health Organization, as of October 17, 2009, 72 cases of cholera and 3 deaths have been verified nationwide. About half of the cases are in Chipinge District in Manicaland province, but there are also a few cases in Harare (5 cases from Mabvuku), Midlands (19), Mashonaland Central (1), and Mashonaland West (18). The cholera season in Zimbabwe runs roughly from October to April, and more cases are expected once the seasonal rains begin in late November or December. The incidence to date is not above the norm and is not expected to be as high as last year because of the intensity with which the donor community has supported hygiene education.

¶6. AG Tomana Takes Over Bennett's Case... On October 19, Attorney General Johannes Tomana personally took over prosecution of Roy Bennett from the two senior officers who had been handling the case.

HARARE 00000851 002.2 OF 002

Tomana, who has made no secret of his ZANU-PF partisanship, defended the move by saying Bennett was a "national security threat" and that he had intervened to expedite the trial. Bennett's trial on banditry, sabotage and terrorism charges is expected to begin in Harare's High Court on November 9. In the meantime, he remains out on bail.

-----  
On the Economic and Business Front  
-----

¶7. Manufacturing Sector Improving but Problems Remain... According to the 2009 manufacturing sector survey, firms have started to increase capacity utilization from around 10 percent in the first six months of 2007 to over 30 percent during the corresponding period of 2009. However, constraints such as a shortage of imported inputs, lack of credit, and high production costs continue to limit the pace of recovery. Although most firms recorded increases in output, only 9.5 percent of respondents were optimistic about the future.

¶8. Companies Consolidate as Cash Crunch Bites... Cash-rich beverage manufacturer, DELTA Corporation, is increasing its stake in wines and spirits producer, African Distillers, from about 30 percent to just over 50 percent. According to an October 22 report in the Financial Gazette, the move is part of Delta's strategy to reconfigure its strategic model and concentrate on its core business. Separately, Kingdom Meikles subsidiary Cotton Printers filed for voluntary liquidation due to bankruptcy brought about by insufficient capitalization. This follows hard on the heels of a similar move by Zimbabwean textile manufacturer, David Whitehead.

¶9. Biti's Budget Woes... Finance Minister Tendai Biti briefed diplomats this week and said revenue was still flat at about \$90 million per month. While this is about 20 times more than the Ministry of Finance was taking in at the beginning of the year, it still falls far short of what Biti thinks the GOZ should be spending. For instance, Biti would like to raise monthly civil-service wages from \$155 to \$200, but this would eat up two thirds of the budget. Under the tight constraints of his cash budget, Biti has reluctantly agreed to use \$200 million of Zimbabwe's new allocation of IMF special drawing rights to fund infrastructure projects, renovation of public utilities, and lines

of credit for the private sector. A further \$140 million in SDRs would be set aside to clear Zimbabwe's arrears with the IMF.

-----  
Quote of the Week  
-----

[¶10](#). "If this Global Political Agreement is to collapse I would say to Robert Mugabe, you are not the President of Zimbabwe. You are an illegitimate leader." Deputy Prime Minister Arthur Mutambara (MDC-M), quoted in The Zimbabwe Times on October 20.

PETTERSON